

NEW JERSEY
DEPARTMENT OF BANKING AND INSURANCE

Real Estate Sales
Full Disclosure
Act

NEW JERSEY REAL ESTATE COMMISSION

A message from the

**EXECUTIVE
DIRECTOR**



The Real Estate Sales Full Disclosure Act protects New Jersey consumers who purchase residential real estate located in other states or countries. By enforcing the Act's registration and disclosure requirements, the Real Estate Commission ensures that persons buying vacant lots, condominiums, time-shares or other interests from non-New Jersey developers receive, among other things, material information about the project and a right to rescind the purchase contract within a specified time period. Consumers contemplating the purchase of a property beyond New Jersey's borders should ascertain whether it is registered with the Commission and be aware of the substantial protections afforded to them by the Act when buying a registered property.

A handwritten signature in cursive script that reads "Gloria A. Decker". The signature is written in dark ink and is positioned above the printed name and title.

Gloria Decker
Executive Director

Real Estate Sales Full Disclosure Act

This law is designed to regulate the marketing and sale of certain types of out-of-state properties, such as condominiums, time-share, retirement communities and land subdivisions in New Jersey.

Major Protections Provided

1. THE PUBLIC OFFERING STATEMENT:

Before signing a contract of sale, all purchasers must receive a New Jersey Public Offering Statement (POS) approved by the New Jersey Real Estate Commission. The POS provides information such as estimated completion dates for improvements, fees for services and amenities, the type of title and ownership interest being offered, it's proximity to hospitals, schools, fire and police, as well as any hazards, risks or nuisances in or around the subdivision.

2. RESCISSION:

A New Jersey purchaser who buys as a result of sales or marketing activity which occurred within New Jersey has an absolute seven (7) calendar day Right of Rescission from date of contract. The purchaser can rescind the contract for any or no reason at all by sending written notice to the developer. If they do so, all funds deposited must be promptly refunded.

3. ESCROW:

The developer must place all deposits into a secured third party escrow account until closing of title; as an alternative, bonding or other financial assurance posted with the Commission may be used to secure deposits.

*Is this project registered
with the New Jersey Real
Estate Commission??*



4. FINANCIAL ASSURANCES:

Developers must provide proof to the Commission that they have the financial ability to build all promised improvements and amenities in the project. In other words, they must post bonds, letters of credit or other acceptable assurances for promised improvements and amenities.

5. BUREAU OF SUBDIVIDED LAND SALES CONTROL:

The Act establishes the Bureau of Subdivided Land Sales Control within the New Jersey Real Estate Commission. The Bureau is responsible for the administration of the Act.

6. REGISTRATION:

Before undertaking a marketing promotion in New Jersey a developer must first register with the Bureau of Subdivided Land Sales Control (BSLSC). The registration requires that the developer submit to New Jersey jurisdiction.

In addition, a registration application includes information on proof of title, financial ability, current mortgages or encumbrances, proper local approvals, a proposed New Jersey POS and other information.

The BSLSC reviews registrations to determine if the developer can convey good title and complete all improvements as promised. The Bureau can require the developer to amend the proposed POS and furnish additional information in order to provide for full and fair disclosure to all prospective purchasers.

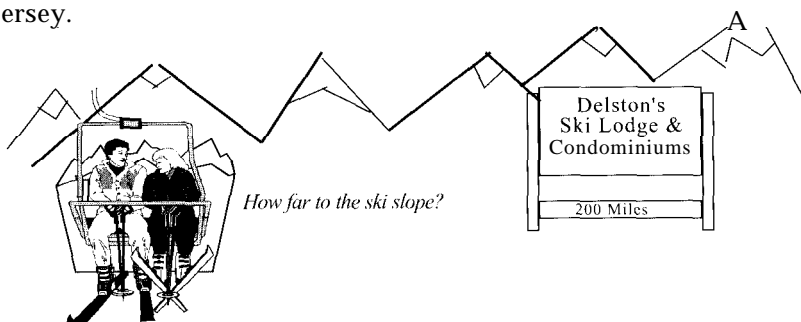
Once all of the requirements of the Act have been satisfied, the Commission will issue an Order of Registration. Thereafter, the registrant must file an annual report. However, in the event of a material change in the offering, the Commission requires an immediate notice and appropriate amendments to the Order of Registration and POS.

7. BROKERS:

The Act requires that a developer designate a currently licensed New Jersey real estate broker as its original Broker of Record with the initial registration. The developer may also designate additional brokers, known as Supplemental Brokers, who may also join in the disposition of the registered property. No fees are charged for original Brokers of Record or Supplemental Brokers. The Broker of Record and Supplemental Brokers, before offering the registered property for sale in New Jersey must file an affidavit with the Commission stating that they are:

- a) familiar with the registration and it's content and/or have physically inspected the property;
- b) familiar with the Real Estate Sales Full Disclosure Act and Real Estate Act; and
- c) is not aware of anything that would lead them to believe the information in the registration does not provide full and fair disclosure.

Once the affidavits are filed and accepted by the Commission, the broker is issued a Broker's Release. This is a special license authorizing the broker to offer the registered property in New Jersey.



Only authorized brokers may receive a commission from the registrant, distribute literature, and otherwise solicit sales for the project in New Jersey. The Broker's Release must be prominently displayed in the sales office.

Out-of-state developers may not sell unregistered subdivisions in New Jersey. Brokers may not represent an unregistered subdivision in New Jersey. Brokers may only represent a registered subdivision after an application has been filed and a Broker's Release has been issued by the Commission authorizing the broker to sell these properties.

8. ADVERTISING AND MARKETING:

The Act establishes standards for advertising. These standards include guidelines for artist renditions, references to taxes or assessments, amenities such as golf courses, horseback riding etc. These standards apply to all types of advertising including displays, billboards, newspaper, radio, TV, internet, and other forms of advertising.

Mail pieces and travel certificates offering a gift for visiting the resort and requiring attendance at a sales presentation must also comply with the New Jersey Consumer Fraud Act.



? ? ? ? QUESTIONS AND ANSWERS ? ? ? ?

Q. What types of offerings must be registered?

A. Out-of-state vacant land, land and house packages, condominiums, time-shares, homeowners associations and cooperatives. Exemptions for certain types of projects (i.e. commercial projects, individual listings, small subdivisions, etc.) may be obtained. Brokers should ascertain the status of the project under the Act before undertaking any advertising programs in New Jersey.

Q. What is the cost of registration?

A. Application fee of \$500.00, plus a fee of \$35.00 for each lot, parcel, unit or interest being offered, with a maximum fee of \$3,000.00.

Q. What constitutes advertising in New Jersey?

A. The publication or mailing into New Jersey of any literature for the purpose of causing or inducing the purchase of an interest in a regulated property.

Q. What do I do if I have a complaint against an out-of-state developer?

A. Contact the:

New Jersey Real Estate Commission
Bureau of Subdivided Land Sales Control
PO Box **328**
Trenton, NJ **08625**
Phone: (609) **292-8385**

Web Homepage: <http://www.naic.org/nj/realcom.htm>

The complaint must be in writing and should contain the complainants' daytime telephone number, copies of **contracts** and other relevant documents and information received by the complainant.